

**CITY OF HUTCHINS, TEXAS
RESOLUTION NO. R2025-08-1281**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HUTCHINS, TEXAS, APPROVING THE TERMS AND CONDITIONS OF AN INTERLOCAL COOPERATIVE AGREEMENT BETWEEN THE CITY OF HUTCHINS AND STAR TRANSIT FOR FISCAL YEAR 2025-2026 AND AUTHORIZING THE CITY ADMINISTRATOR TO EXECUTE SAID AGREEMENT; PROVIDING FOR SEVERABILITY CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, STAR Transit is a Rural Transit District established pursuant to the authority of Chapter 458, Texas Transportation Code, as amended, with its headquarters in Terrell, Texas, and currently provides transit services within several area jurisdictions; and

WHEREAS, the CITY is a local government entity of the State of Texas; and

WHEREAS, the CITY has requested STAR Transit provide services and is authorized to execute this Agreement with STAR Transit for the purpose of providing for the operation and management of public transportation services for the benefit of the citizens of the CITY; and

WHEREAS, STAR Transit, its officers and supervisory employees are trained and experienced in the operation and management of public transportation and is authorized to execute this Agreement with the CITY for the purpose of providing services as specified herein; and

WHEREAS, the Agreement is made pursuant to and under the authority of the Interlocal Cooperation Act of 1971, as amended, and codified in Chapter 791 of the Texas Government Code (the "Act"); and

WHEREAS, STAR Transit and the CITY are local governments as defined in §791.003 of the Act, and each are empowered by §791.011 of the Act to contract with each other to provide governmental functions and services including public and elderly transportation; and

WHEREAS, STAR Transit publishes an annual cost of service letter with its operating cost schedule no later than June 1 each year and utilizes an hourly rate to adjust amounts payable by its local partners, including CITY, each year; and,

WHEREAS, the purpose of this Agreement is to provide a variety of public transit services to the benefit of residents and businesses in the CITY, the "Public Transit Services".

DULY RESOLVED AND ADOPTED by the City Council of the City of Hutchins, Texas, this the 18th day of August 2025.

CITY OF HUTCHINS, TEXAS

Mario Vasquez, Mayor

ATTEST:

Cynthia Olguin, City Secretary

EXHIBIT "A"
INTERLOCAL COOPERATIVE AGREEMENT
BETWEEN
STAR TRANSIT AND HUTCHINS, TEXAS

This Interlocal Cooperative Agreement ("Agreement") is between STAR Transit ("STAR Transit") and Hutchins, Texas ("CITY"), each organized and existing under the laws of the State of Texas, and acting by, through and under the authority of their respective governing bodies. STAR Transit and the CITY may each be referred to as a "Party" to this Agreement and may be collectively referred to as "Parties" in this Agreement.

WITNESSETH

WHEREAS, STAR Transit is a Rural Transit District established pursuant to the authority of Chapter 458, Texas Transportation Code, as amended, with its headquarters in Terrell, Texas, and currently provides transit services within several area jurisdictions; and

WHEREAS, the CITY is a local government entity of the State of Texas; and

WHEREAS, the CITY has requested STAR Transit provide services and is authorized to execute this Agreement with STAR Transit for the purpose of providing for the operation and management of public transportation services for the benefit of the citizens of the CITY; and

WHEREAS, STAR Transit, its officers and supervisory employees are trained and experienced in the operation and management of public transportation and is authorized to execute this Agreement with the CITY for the purpose of providing services as specified herein; and

WHEREAS, the Agreement is made pursuant to and under the authority of the Interlocal Cooperation Act of 1971, as amended, and codified in Chapter 791 of the Texas Government Code (the "Act"); and

WHEREAS, STAR Transit and the CITY are local governments as defined in §791.003 of the Act, and each are empowered by §791.011 of the Act to contract with each other to provide governmental functions and services including public and elderly transportation; and

WHEREAS, STAR Transit publishes an annual cost of service letter with its operating cost schedule no later than June 1 each year and utilizes an hourly rate to adjust amounts payable by its local partners, including CITY, each year; and,

WHEREAS, the purpose of this Agreement is to provide a variety of public transit services to the benefit of residents and businesses in the CITY, the "Public Transit Services".

NOW, THEREFORE, for and in consideration of the mutual promises and covenants contained herein, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE I

Incorporation of Recitals

The foregoing recitals are hereby incorporated into the body of this Agreement and shall be considered part of the mutual covenants, consideration and promises that bind the Parties.

ARTICLE II

Term

This Agreement shall be effective upon execution by both Parties and the Initial Term shall begin on October 1, 2025 and end on September 30, 2026. If not otherwise terminated in accordance with the termination provisions of Article V of this Agreement, this Agreement extends for subsequent twelve (12) month periods starting on the first (1st) day of October each year.

ARTICLE III

Rights, Duties and Responsibilities of STAR Transit

- 3.1 Board of Directors. STAR Transit is designated to supervise the performance of this Agreement and to operate the Public Transit Service within the CITY's jurisdictions and subdivisions. Such operations shall be overseen solely by the STAR Transit Board of Directors. STAR Transit shall be responsible for the safe, efficient, and effective operation of all services provided.

- 3.2 Management Scope. STAR Transit agrees to manage, supervise and operate the Public Transit Services in an efficient and economical manner. STAR Transit shall operate all properties, equipment, facilities, routes, and services now or hereafter existing for the purposes of this Agreement. STAR Transit shall provide full and complete management services for the Public Transit Service and any specific duties and obligations set forth shall not be construed as limitations. STAR Transit shall perform the active direction of the Public Transit Services, including transportation, maintenance, schedule preparation, dispatching, communications, accounting, public relations, and safety. All such services may be provided at the principal office of STAR Transit in Terrell, Texas or at such other place, or places as STAR Transit shall determine.
- 3.3 Administrative Functions. STAR Transit shall administer all properties, equipment, buses, vehicles, facilities, maintenance, gasoline, repairs, replacements, services, expenditures, and resources necessary for safe, efficient, and effective operations. STAR Transit shall employ, train, furnish, and supervise the personnel necessary for the operation of the Public Transit Services. STAR Transit shall oversee all aspects of employment including employee recruiting, selection, training, wages and benefits. STAR Transit shall perform all aspects of general administrative oversight including technical guidance, payroll, accounts payable, purchasing, contracting, finance and other administration necessary for the proper operation of the system.
- 3.4 Transit Vehicle Operators. Every vehicle providing Public Transit Service under this Agreement shall be operated by an operator duly licensed by the State of Texas to operate vehicles of the type and size being operated by such operator and such operator shall be appropriately dressed in a uniform selected by STAR Transit.
- 3.5 Routes, Schedules, Fares. The Public Transit Services shall be operated with routes and schedule established by STAR Transit with input from CITY. In no case shall the Public Transit Services operate on a Saturday, Sunday, regular annual holidays as designated by the STAR Transit Board of Directors, or days on which STAR Transit deem conditions are unsafe or otherwise inappropriate for service in accordance with Section 7.4. STAR Transit shall have authority to make modifications to any routes without the necessity of obtaining CITY approval. In no case shall the Public Transit Services require a service beginning prior to 5:00 AM or ending after 8:00 PM. Fares for riders shall be established by the STAR Transit Board of Directors and such fares shall be consistent throughout the STAR Transit system.

- 3.6 Transit Vehicles. STAR Transit shall use only such vehicles as are appropriate to provide the Public Transit Service. All vehicles shall be fully compliant with the Americans with Disabilities Act of 1990, U.S. Code §12101, et. seq., as amended and relevant regulations applicable thereto, licensed for passenger operations by the State of Texas and equipped with a two-way communication system. STAR Transit shall provide or cause to be provided all mechanical and other repairs, maintenance and upkeep necessary to maintain vehicles in good working order and in a clean, sanitary and safe condition.
- 3.7 Operating Cost Charge to CITY. STAR Transit shall charge for services and CITY agrees to compensate STAR Transit for services based on the following:
- A. Service Days: Service up to five (5) days per week, Monday through Friday; set and calculated as two hundred fifty-four (254) service days each Fiscal Year. This number of Service Days shall be charged each Fiscal Year regardless of actual calendar service days or events as noted in Section 7.4. This number of Service Days charged may be adjusted only by Amendment to the Contract duly approved by CITY and the STAR Transit Board of Directors.
 - B. Daily Hours: A total of eight (8) hours of in-service time including pre- and post-trip time on average each operating day. Average Daily Hours may be adjusted, in writing, by mutual agreement of the parties, no more often than once per every one hundred and twenty (120) calendar days.
 - C. Hourly Cost: The average cost per hour shall be charged at the current STAR Transit Public Transit Hourly Rate, currently fifty-six dollars and seventy-five cents (\$56.75). The STAR Transit Board of Directors shall publish an annual cost of service letter with its upcoming annual operating cost schedule no later than the first (1st) day of June each year and utilize that hourly rate to adjust amounts payable by CITY.
 - D. Annual Operating Cost. After the Initial Term, each Fiscal Year, the annual operating cost shall be recalculated by multiplying Service Days (Line A) by Daily Hours (Line B) and by Hourly Cost (Line C). Costs for additional contracted service provided by Transportation Network Companies (Uber/Lyft), currently thirty-seven thousand five hundred dollars (\$37,500.00) will be added to the total annual operating costs.
 - E. Operating Off-Sets. STAR Transit expects a net sixty percent (60%) operating cost subsidy on the Public Transit Service from a combination of Federal, State, Regional, and Private Contract

sources. So long as such subsidy is in place, it shall be used as an off-set to reduce the Annual Operating Cost charged to CITY. The Operating Off-Set may be adjusted as part of the annual Cost of Service notification.

- F. Monthly Charge to CITY. The Monthly Charge to CITY shall be the Annual Operating Cost (Line E) multiplied by any Operating Off-Set (Line F) divided by twelve (12). Payment for all services shall be due fifteen (15) days in advance of service. For the Initial Term, the monthly charge is calculated at two thousand five hundred and twenty-three dollars (\$2,523.00), annual cost of thirty thousand two hundred and seventy-six dollars (\$30,276.00). STAR Transit shall invoice CITY for each service month no earlier than forty-five (45) days prior to each service month.
- G. Subsequent Fiscal Years. Following the Initial Term, the monthly charge to CITY shall be recalculated by STAR Transit with the identical methodology utilizing any updated parameters. This calculation and the resulting monthly rate will be provided by STAR Transit in writing to CITY prior to the first (1st) day of June each year. In addition, any cost savings due to a reduction in the hourly cost of service occurring between Fiscal Year 2026 and Fiscal Year 2027 shall be passed on to CITY.
- H. Additional Services. Any month in which the CITY requests average daily hours for non-holiday weekdays exceeding the average daily hours established in Section 3.7 (B) shall be a month in which STAR Transit shall increase the monthly charge in the next available billing cycle by the total number of increased hours (or partial hours) of service multiplied by the current charter rate as established by the STAR Transit Board of Directors. Any other special services requested by CITY and scheduled by STAR Transit, which is not covered under the specific monthly service terms of this Agreement, or under subsequent duly approved Amendments or modifications, shall be billed to CITY on the next available invoice by STAR Transit at the current charter rate as established by the STAR Transit Board of Directors.
- I. Start Up Provisions. As a condition of implementing new services in CITY, STAR Transit shall invoice CITY an additional zero dollars (\$0.00) to be invoiced separately prior to initiating services. Both parties agree that billing shall begin at the regular monthly amount with the first monthly invoice sent to CITY in September 2025 for services to be phased in beginning on the first (1st) day of October, 2025.

3.8 Capital Cost Charge to CITY. STAR Transit represents that for the first three (3) Fiscal Years of operation, no additional vehicle acquisition or replacement cost or other capital expense item will

be required from CITY. After the first three (3) full Fiscal Years, if a new vehicle, vehicles, or other capital assets are needed and Regional, State, or Federal sources do not fully fund a suitable replacement vehicle, vehicles or other capital items in a timely manner, STAR Transit shall provide written notification of capital costs to CITY no later than the first (1st) day of June for capital costs to be due the following Fiscal Year.

- 3.9 Marketing. STAR Transit will provide the CITY with service information for posting on the CITY Website and advertise the services on the STAR Transit homepage. As part of its regular outreach programs, STAR Transit will market the Public Transit Service in a variety of media and locations likely to attract potential riders. STAR Transit shall maintain rights to final approval of all marketing materials.
- 3.10 Reporting. STAR Transit will provide the CITY a monthly summary of ridership data within thirty (30) days after the last day of the preceding month, an annual summary of ridership after the end of the STAR Transit Fiscal Year, a copy of the adopted Annual Budget, and a copy of the approved annual audit.
- 3.11 Contract Management. STAR Transit will pursue and apply for grant funding opportunities which may be applicable to and beneficial to the Agreement. STAR Transit will be responsible for complying with the obligations and responsibilities under all grants and all accompanying certifications, assurances, and agreements made or given by the Federal Transit Administration, Texas Department of Transportation, or any other applicable entity. STAR Transit will be responsible for complying with all applicable laws, rules, regulations and guidelines associated with STAR Transit services. STAR Transit will provide any documents needed to support Federal, State, or Regional grant administration or other data or audit requirements to the appropriate entity in a timely manner. Grant funding shall be used to offset monthly charges to the CITY if applicable to service provided within the CITY.
- 3.12 Permits. STAR Transit shall secure or cause to be secured, at its cost and expense, all permits and other governmental authorizations, which may be required to fulfill this Agreement.

ARTICLE IV

Rights, Duties and Responsibilities of the CITY

- 4.1 Payment for Service. CITY shall pay all invoices provided by STAR Transit under this Agreement within thirty (30) days of receipt. Such payments shall constitute a current expense of the CITY and shall not in any way be considered or construed to be a debt of the CITY's in contravention of any constitutional, statutory, or charter provision. Any CITY paying for STAR Transit's services must make those payments with current revenues available and the CITY hereby affirms that funds to pay said payments to STAR Transit are available for the current Fiscal Year.
- 4.2 Parking. Permit STAR Transit to access, park, and store vehicles, as necessary, at a CITY facility.
- 4.3 Promotions. The CITY shall promote services via CITY facilities, municipal resident water bill, CITY Social Media Outlets, News Releases, CITY Website and additional promotional opportunities that become available during the duration of the Agreement. The CITY shall facilitate, as needed and within CITY budget constraints, the efforts of STAR Transit to market the services. CITY shall make all CITY generated marketing materials available for review and approval by STAR Transit.

ARTICLE V

Termination

- 5.1 Program Conclusion. During the initial term, but no later than July 31, 2026, either party may provide written notice of termination to be effective on September 30, 2026. During subsequent twelve (12) month terms, either party may provide written notice of termination no later than July 30 for the following operating year commencing on the first (1st) day of October.
- 5.2 Mutual Agreement. This Agreement may be terminated immediately at any time by a written agreement signed by both Parties setting forth the agreed termination date.
- 5.3 Termination due to Default. Termination due to Default must be preceded by (1) written notice stating specific provision violated in this Agreement, (2) a thirty (30) day period for cure and (3) a second notice of failure to cure and final termination. A Party shall be in default of this Agreement if such Party fails to timely keep or perform any term, provision, covenant, or condition to be kept

or performed by such Party under the terms of this Agreement and/or any other agreement now or hereafter existing between the Parties and such failure continues for thirty (30) days after written notice by the non-defaulting Party to the defaulting Party (a "Default"). Upon the occurrence of a Default, the non-defaulting Party shall have the right to terminate this Agreement by written notice to the defaulting Party and shall further have the right to exercise any and/or all other rights and/or remedies available to such Party at common law, by statute, in equity or otherwise pursuant to the laws of the State of Texas. In addition, CITY may terminate due to default if performance standards are not met or if CITY deems the operation of the service by STAR Transit is unreliable, unsafe or of poor quality.

- 5.4 Termination by Operation or Breach of Law. In the performance of this agreement, STAR Transit shall comply with all state, federal and local laws, regulations and standards. If the purpose or intent of this agreement is prevented or is contrary to any other law, including but not limited to section 458.012, Texas Transportation Code, this agreement shall be deemed null and void and of no force and effect. If the operation of the service by STAR Transit is in violation of any law or regulation that does not frustrate the purpose or intent of this agreement, or if repeated violations occur, the CITY may terminate the service immediately upon notice. Any pre-paid amounts for monthly service shall be immediately refunded to CITY.

ARTICLE VI

Responsible Party Provisions

- 6.1 Legal Liability. As a designated political subdivision, STAR Transit is a "governmental unit" as that term is defined in Chapter 101 of the Texas Civil Practice and Remedies Code. Therefore, the extent of STAR Transit's liability for actions arising out of the operation of a public transportation system shall be governed by Chapter 101 of the Texas Civil Practice and Remedies Code.
- 6.2 Limitation of Liability. To the extent authorized by the Constitution and laws of the State of Texas, the Parties agree that each Party shall be responsible for its own acts and omissions and the acts and omissions of its agents, representatives and employees in the performance of this Agreement. It is expressly understood and agreed by the Parties that neither Party shall be held liable for the acts or omissions of the other Party or for the acts or omissions of the other Party's agents, representatives, or employees in the performance of this Agreement. To the extent allowed by law, both parties shall hold harmless, indemnify and defend the other from and against any claims,

damages, losses or liability of any character, type, or description, including all expenses of litigation, court costs, and attorney's fees, for injury or death to any person, injury or loss to any property, or economic loss, received or sustained by any person or persons, or property, directly or indirectly arising out of, or occasioned by the acts, omissions or conduct of the indemnifying party, without waiving the party's governmental, sovereign or other immunities or defenses available under Texas law and without waiving any defenses of the parties under Texas law.

- 6.3 Insurance. STAR Transit shall maintain its own insurance in sufficient amounts to cover any occurrence or claim related to its responsibilities in delivering the Public Transit Services.
- 6.4 Immunity. In the execution and performance of this Agreement, the Parties do not waive, and neither Party shall be deemed to have waived, any immunity or defense that would otherwise be available to each Party as a local governmental entity and/or political subdivision of the State of Texas. Nothing in this Agreement shall be deemed or construed to create any right or interest in any person not a party to this Agreement, and there are no third-party beneficiaries hereof.
- 6.5 Survival. All provisions of this Article shall expressly survive the termination of this Agreement.

Article VII

Miscellaneous

- 7.1 Captions. The descriptive captions of this Agreement are for convenience of reference only and shall in no way define, describe, limit, expand or affect the scope, terms, conditions, or intent of this Agreement.
- 7.2 Compliance with Laws. STAR Transit and its officers, agents and employees shall comply with all applicable federal, state and local health, safety, disability, environmental and other laws, ordinances, rules and regulations in the performance of the Public Transit Service.
- 7.3 Powers. STAR Transit has all the powers of CITY necessary to operate its services. By way of illustration, but not for limitation, STAR Transit has the power to contract, to acquire and own real and personal property, and to accept and expend funds from government, legal entities and

individuals. STAR Transit does not have the power to tax, to obligate CITY, to assess CITY, or to adopt ordinances or laws.

- 7.4 Force Majeure. STAR Transit shall not be liable to CITY for any failure, delay, interruption of service caused by acts of God, fire, snow, ice, flooding, tornado, utility outages, riots, civil commotion, labor disruptions, sabotage, sovereign conduct, acts of terror, or any other cause beyond the reasonable control of STAR Transit and not attributable to any neglect or negligence on the part of STAR Transit. In the event of such occurrence, the time for performance of such services shall be suspended until such time that such inability to perform shall be removed. STAR Transit shall make all reasonable efforts to mitigate the effects of any such suspension or interruption of service and CITY shall not be entitled to any compensation for any such event.
- 7.5 Severability. The sections, paragraphs, sentences, clauses, and phrases of this Agreement are severable and, if any phrase, clause, sentence, paragraph, or section of this Agreement should be declared invalid, illegal, or unenforceable by the final judgment or decree of any court of competent jurisdiction, such invalidity shall not affect the validity or enforceability of any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Agreement and such remaining provisions shall remain in full force and effect and shall be construed and enforced as if the invalid provision had never been included in the Agreement.
- 7.6 Notices. Any notice required or permitted to be given under the terms of this Agreement shall be in writing and shall be considered properly given if mailed by United States mail, certified mail, return receipt requested, in a postage paid envelope addressed to the Party at the address set forth below, or by delivering same in person to the intended addressee by hand delivery or by a nationally recognized courier service such as Federal Express or United Parcel Service. Notices mailed by certified mail as set forth above shall be effective upon deposit in the United States mail. Notice given in any other manner shall be effective only if and when received by the addressee. For purposes of notice, the addresses of the Parties shall be as set forth below; provided, however, that any Party shall have the right to change such Party's address for notice purposes by giving the other Party at least thirty (30) days prior written notice of such change of address in the manner set forth herein:

STAR Transit: Executive Director
STAR Transit
P.O. Box 703
Terrell, TX 75160

CITY: City Administrator
City of Hutchins
321 N. Main Street
Hutchins, TX 75141

- 7.7 Entire Agreement. This Agreement, together with all attachments hereto, sets forth the entire Agreement between the Parties with respect to the subject matter hereof, and all prior discussions, representations, proposals, offers, and oral or written communications of any nature are entirely superseded hereby and extinguished by the execution of this Agreement.
- 7.8 Modification. This Agreement may only be revised, modified, or amended by a written document signed by STAR Transit and the CITY. Oral revisions, modification, or amendments are not permitted.
- 7.9 Waiver. All waivers, to be effective, must be in writing and signed by the waiving party. No failure by either Party to insist upon the strict or timely performance of any covenant, duty, agreement, term, or condition of this Agreement shall constitute a waiver of any such covenant, duty, agreement, term, or condition. No delay or omission in the exercise of any right or remedy accruing to either Party upon a breach of this Agreement shall impair such right or remedy or be construed as a waiver of any such breach or a waiver of any breach theretofore or thereafter occurring.
- 7.10 Authority. Each Party represents and warrants to the other that this Agreement has been authorized by the governing body of such Party and that each such Party has the full power and authority to enter into and fulfill its obligations under this Agreement. Each person signing this Agreement represents that such person has the authority to sign this Agreement on behalf of the Party indicated.
- 7.11 Assignment. This Agreement shall not be assigned or transferred by either Party without prior written consent of the other Party, which consent shall not be unreasonably withheld.
- 7.12 Independence. The Parties are acting herein as independent contractors and independent employers. Nothing herein shall create or be construed as creating a partnership, joint venture or agency relationship between any of the Parties and no Party shall have the authority to bind the

other in any respect. Nothing in this Agreement prevents STAR Transit from pursue contracting opportunities to provide any services with other public and private entities within the CITY or outside the CITY.

7.13 Governing Law. The laws of the State of Texas shall govern this Agreement, and venue for any action concerning this Agreement shall be in the State District Court of Dallas County, Texas. The Parties submit to the personal and subject matter jurisdiction of said court.

7.14 Effective Date. This Agreement shall not be effective unless and until it is executed by both STAR Transit and the CITY. "Effective Date" as used herein shall mean the later of the two dates this Agreement is executed by STAR Transit and the CITY.

EXECUTED this ____ day of _____, 2025.

City of Hutchins, Texas

By: _____
James Quin, City Administrator

Approved as to form:

By: _____
City Attorney

EXECUTED this ____ day of _____, 2025.

STAR Transit

By: _____
Name: _____
Title: _____